

IC 22-2-10

Chapter 10. Employees as Preferred Creditors

IC 22-2-10-1

Assignments for benefit of creditors; bankruptcy; salesmen

Sec. 1. Hereafter, when the property of any company, corporation, limited liability company, firm or person, engaged in any manufacturing, mechanical, agricultural or other business or employment, or in the construction of any work or building, shall be seized upon any mesne or final process of any court of the state, or where their business shall be suspended by the action of creditors or put into the hands of any assignee, receiver, or trustee, then in all such cases the debts owing to laborers or employees, which have accrued by reason of their labor or employment to an amount not exceeding six hundred dollars (\$600) to each employee, for work and labor performed within three (3) months next preceding the seizure of such property, shall be considered and treated as preferred debts and such laborers or employees shall be preferred creditors and shall be first paid in full, and if there be not sufficient to pay them in full then the same shall be paid to them pro rata, after paying costs; however, the term employees as used in this section shall include traveling salesmen, traveling agents and manufacturers' agents, whether they are employed under monthly or yearly contracts or otherwise.

(Formerly: Acts 1879(ss), c.62, s.1; Acts 1885(ss), c.3, s.1; Acts 1917, c.109, s.1; Acts 1967, c.104, s.1.) As amended by P.L.8-1993, SEC.277.